

ORDER NO. 1821

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Robert G. Taub, Vice Chairman;
Mark Acton;
Tony Hammond; and
Nanci E. Langley

Competitive Product Prices
Parcel Select Contract 4 (MC2012-33)
Negotiated Service Agreement

Docket No. CP2012-41

NOTICE AND ORDER CONCERNING AMENDMENT TO
PARCEL SELECT CONTRACT 4 AND
REQUEST FOR SUPPLEMENTAL INFORMATION

(Issued August 30, 2013)

I. INTRODUCTION

On August 28, 2013, the Postal Service filed notice that it has agreed to an amendment to the existing Parcel Select Contract 4 subject to this docket.¹ The Postal Service includes one attachment in support of its Notice:

- Attachment A—a redacted copy of the amendment to the existing Parcel Select Contract 4.

The Postal Service also filed the unredacted amendment under seal. It asserts that the “supporting financial documentation and financial certification initially provided

¹ Notice of United States Postal Service of Amendment to Parcel Select Contract 4, With Portions Filed Under Seal, August 28, 2013 (Notice).

in this docket remain applicable.” *Id.* at 1. It also contends that the amendment “will not materially affect the cost coverage” of the product. *Id.* The Postal Service seeks to incorporate by reference the Application for Non-Public Treatment originally filed in this docket for the protection of customer-identifying information that it has filed under seal. *Id.*

The amendment makes three changes. First, it appears to change the minimum volume requirement and the penalty for failure to meet the minimum volume requirement. *Id.* Attachment A at 1. Second, it changes the prices for the second contract year and establishes a penalty for failure to meet volume requirements associated with the new prices. *Id.* at 1-2. Finally, it changes the mechanism for the annual adjustment of prices. *Id.* at 2. The Postal Service intends for the amendment to become effective on the day after the date that the Commission completes its review of the Notice. *Id.* at 1.

Supplemental information. Paragraphs 1 and 2 of section I.C. of the existing contract established the minimum volume requirements for the first contract year and for subsequent contract years, respectively. Paragraph 3 of section I.C. of the existing contract established a penalty for failure to meet those minimum volume requirements. The amendment to section I.C. contains a penalty for failure to meet the minimum volume requirement, but it does not appear to specify what the minimum volume requirement is. The Postal Service is requested to provide the minimum volume requirements for contract years 2 and 3 and, if appropriate, a further amendment to the contract.²

Section I.E.5. of the existing contract specifies the prices for contract years 2 and 3. The amendment to section I.E.5. of the existing contract only specifies the prices for contract year 2. The Postal Service is requested to provide the prices for contract year 3 and, if appropriate, a further amendment to the contract.

² The amendment to section I.E.5. suggests that the minimum volume requirement for contract year 2 could be the Tier 3 volume described in Table 1 of the existing contract, but this is not clear.

The Postal Service is requested to confirm that it intends for the amendment to section I.F. of the existing contract to apply with respect to the annual adjustment for contract year 3, beginning August 1, 2014. The Postal Service is further requested to submit, under seal if necessary, the prices in effect for contract year 2.

The Postal Service response is due no later than September 4, 2013.

II. NOTICE OF FILINGS

Interested persons may submit comments on whether the changes presented in the Postal Service's Notice are consistent with the policies of 39 U.S.C. 3632, 3633, or 3642, 39 CFR 3015.5, and 39 CFR part 3020, subpart B. Comments are due no later than September 6, 2013. The public portions of these filings can be accessed via the Commission's website (<http://www.prc.gov>).

The Commission appoints Pamela A. Thompson to represent the interests of the general public (Public Representative) in this case.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission reopens Docket No. CP2012-41 for consideration of matters raised by the Postal Service's Notice.
2. Pursuant to 39 U.S.C. 505, the Commission appoints Pamela A. Thompson to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.
3. The Postal Service response to the request for supplemental information is due no later than September 4, 2013.
4. Comments are due no later than September 6, 2013.

5. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove
Secretary